encouraging the growth of community-based consortia which include libraries and schools is one highly effective method of furthering this goal.

These consortia further the goals of the Act in several different ways. The broad consortium approach to community networking enhances the educational potential of the network by including partners and resources that might not otherwise be available. By providing access to their resources, community network partners (such as universities, local government, and local businesses) amplify the educational benefits of the network above and beyond that which schools and libraries could provide on their own. For instance, consortia might provide all members with access to the resources of the local university library, as well as provide access to important information on local government.

The Commission rules in this proceeding should encourage institutions to contribute their resources to the educational efforts of schools and libraries. In addition to the obvious educational benefits of these resources, access to this information can help build civic participation and interest by enabling all members of a consortium to access important information.

Consortia also improve the ability of schools and libraries to get access to the sophisticated telecommunications services they need. Aggregate purchasing of services not only leads to lower prices for schools and libraries but also enables schools and libraries to pool the demand in areas where local providers might be reluctant to offer sophisticated telecommunications services. This aggregation of community demand has proven an effective method for attracting

telecommunications services in many underserved communities across the country.

Aggregation has also led in many cases to the purchasing of package deals which include services that, while furthering the telecommunications goals of the educational entities, might not be eligible for discounts under the Act. In these arrangements, schools are better able to serve their constituencies because of the mix of partners in the consortium and the broad variety of services that these partners need.

Finally, consortia are better equipped to deal with the ongoing costs of financing and supporting a telecommunications service. While the ongoing technical support and training costs associated with a network might be more than a school can support on its own, distributing these costs among the members of a consortium is a proven method of supporting these ongoing costs.

12. Should discounts be directed to the states in the form of block grants?

Answer: No. Although block grants might be considered an advantage in the short term, since they would provide schools with funds to "jump start" their telecommunications programs, in the long term schools will be better served by a true discount program. Under a block grant approach, schools and libraries will be unable to sustain their telecommunications initiatives for the long haul, for two reasons. First, once the initial funds have been distributed users will again

be faced with unaffordable rates. Second, users will be unable to plan for future use -- not to mention expansion -- because they will not know with any certainty how much funding they will have to pay for future telecommunications needs.

A true discount program, on the other hand, would encourage competition and diversification in the industry, because the educational market would be treated as a new niche. Schools and libraries have specific needs, different from those of other users, and the size of the educational market would encourage a large number of providers to try to deliver the specialized services the market requires. Thus, a long-term discount program will encourage the development of an entire new industry segment.

In addition, for the reasons stated in our Reply Comments at pp. 6-8, Section 254(h) does not permit the use of a block grant mechanism. The law requires discounts on rates paid by schools and libraries. The law also calls for reimbursement to carriers, not to the institution requesting service. The law says nothing about channelling money through the states, or about capping the amount of money available. Congress is fully aware of the difference between "universal service" and a block grant, and the law calls for universal service, not block grants.

Finally, a block grant program would not achieve the goal of universal service. Instead, it would merely aid those institutions that put together the best grant applications -- generally, those institutions would be those that already have ample resources.

13. Should discounts for schools, libraries, and health care providers take the form of direct billing credits for telecommunications services provided to eligible institutions?

Answer: Discounts for schools and libraries should take only one form: true discounts. A discount is a reduction in the price of something; a credit is the application of a sum towards an existing debt or account. While they may have the same effect in some circumstances, they are not the same thing.

In addition, the use of billing credits would undermine the purposes of Section 254. The statute calls for approving universal service; it does not call for establishing a set fund that will then be used to give institutions vouchers or chits that they can use to defray some of the costs of obtaining telecommunications services. The law calls for schools and libraries to get discounts, which means that they should receive lower rates on all services that are covered by Section 254(c)(3) that they may request. Congress is very familiar with voucher programs and if the intention had been to establish a mechanism under which schools and libraries received credits which they could then apply towards the cost of services, Congress could and would have said so.

Furthermore, vouchers do not ensure the affordability of services, which is what Congress intended -- indeed, affordability is the hallmark of any universal service plan. Congress did not intend to create a capped entitlement or a grant-in-aid program but to ensure affordable access, which means discounts off all

rates for eligible services. Vouchers would be useless if applied to a high commercial tariff or other inflated price.

Vouchers also do not address the different functionalities that different schools need. Schools will decide on their own what services and functionalities they need -- vouchers applicable to a set list of services will not give all schools the flexibility they require in establishing their telecommunications plans. All schools do not need or want all services equally. Discounted rates, on the other hand, will give all schools the benefits they need, across the board. Vouchers will offer only targeted benefits, and may actually be mistargeted.

Finally, the distribution of vouchers is likely to put the Commission and the Joint Board squarely in the middle of a very visible dispute over the formula used to determine who gets the vouchers and how much they will be worth. This would be foolish, especially when the fight could be avoided simply by complying with the intent and letter of the law.

14. If the discounts are disbursed as block grants to states or as direct billing credits for schools, libraries, and health care providers, what, if any, measures should be implemented to assure that the funds allocated for discounts are used for their intended purposes?

Answer: No such measures should be taken, because neither block grants nor direct billing credits should be adopted. Both alternatives violate the terms of the statute and should be rejected. Schools and libraries are entitled to true discounts from the

competitive price for all services covered by Section 254(c)(3). Indeed, the potential for fraud that appears to motivate the Joint Board's questions would be completely avoided if schools and libraries were given the right to procure services at discounted rates, as required by the law, because there would be no funds or monetary equivalent to be misapplied. The user would pay the entire discounted price to the provider, and the provider would receive the balance from the universal service fund. Finally, the likelihood of fraud is so small as to be inconsequential

15. What is the least administratively burdensome requirement that could be used to ensure that requests for supported telecommunications services are bona fide requests within the intent of section 254(h)?

Answer: A telecommunications provider may be faced with up to three levels of requests, assuming that the Commission permits liberal aggregation of demand. These levels are: (1) individuals schools or libraries, or school or library districts, (2) regional education agencies, and (3) statewide agency requests. At each level there are procurement procedures that ensure that any requests for telecommunications services are bona fide. Under state and local law, schools and libraries must comply with certain procedures and procure telecommunications services, just as they must for any other kind of service. The Commission should not make the mistake of believing that telecommunications

services are somehow unique: Schools and libraries procure a wide variety of goods and services every day, and the various procurement procedures of each district or other agency will ensure that any request is legitimate. Eligible institutions should be treated under the law just as any other customer requesting services -- if they request services, services should be provided. If a service provider has reason to doubt that a particular request has been submitted by an eligible institution, there is a very simple means of determining whether the requestor is entitled to the discount: state boards of education maintain lists of all the institutions that are considered "schools" for purposes of receiving state and federal funding, including as defined at Section 254(h)(5)(A). Similar lists are maintained for libraries. A simple query to the appropriate state-level agency would be enough to clear up any doubts in the rare case that there was a question.

16. What should be the base service prices to which discounts for schools and libraries are applied: (a) total service long-run incremental cost; (b) short-run incremental costs; (c) best commercially-available rate; (d) tariffed rate; (e) rate established through a competitively-bid contract in which schools and libraries participate; (f) lowest of some group of the above; or (g) some other benchmark? How could the best commercially-available rate be ascertained, in light of the fact that many such rates may be established pursuant to confidential contractual arrangements?

Answer: Section 254(h)(1)(B) states that the amount of the discount for schools and libraries must be enough "to ensure affordable access" to telecommunications services. For this to be the case, it is absolutely essential that the base price to which discounts are applied is as low as possible. In theory, the most accurate means of finding the lowest base price that ensures that a service provider recovers its costs and earns a reasonable profit is to determine the competitive market price. As EDLINC stated in its Comments and Reply Comments, the competitive market price or a surrogate for that price should be used as the basis for establishing a national benchmark for computing discounts everywhere in the country. Benchmark prices could be determined for particular services, but we would urge the Commission to consider adopting an approach in which unbundled network elements would be eligible for discounts. This would encourage the development of a true functionality-based mechanism, in which schools and libraries could determine the functionalities they need and prepare requests for

proposals based on those functionalities, which a variety of service providers could bid on, either singly or in consortia.

Determining the Benchmark

EDLINC believes that the national benchmark should be calculated based on the least of three possible rates: the price paid by schools and libraries in areas in which there is competition; the lowest commercially-available rate; and the total service long run incremental cost ("TSLRIC"). The Commission has the authority to obtain the necessary information and the expertise to put that information to use. Which of the alternatives should be used depends on the information available to the Commission in a particular instance.

It should be relatively simple to base the national benchmark on a survey of prices paid by schools and libraries in large suburban school districts, where there is likely to be competition for a full range of telecommunications services. This information should not be difficult to obtain, and as more schools enter into agreements the database can be expanded and refined. If such information is not available or is determined to be insufficient, then the lowest commercially-available rate should be used. The fact that such rates may be established pursuant to confidential contractual arrangements should not be a concern. Some rates will be public as required by Section 203 of the Communications Act and MCI v. AT&T, 114 S.Ct. 2223 (1994). In other cases, the Commission may condition forbearance pursuant to Section 10 of the Communications Act, as

added by the 1996 Act, on the making available of such rate data for this purpose. Moreover, the Commission has the authority generally to obtain such information from carriers, 47 U.S.C. §§ 403, 217, 218, and the Freedom of Information Act contains an exemption for privileged or confidential commercial and financial information. 5 U.S.C. § 552(b)(4). State commissions would not be required to obtain such data for purposes of computing a national benchmark, so there should be no concern arising out of state laws that do not contain such an exemption.

The Commission could also require service providers to present evidence of their TSLRIC. TSLRIC is a good surrogate for a competitive market price in a particular area, and regulators are increasingly familiar with the data and the computations required to determine a provider's TSLRIC.

EDLINC believes that there would be little point in basing the discount on tariffed rates, for two reasons. First, in many if not most cases, the Commission is likely to exercise its new authority to forebear, so there will be no tariffs on which to base the discount. Second, the Commission does not conduct a quantitative analysis of tariffed rates.

Determining the Discount Percentage

Discounts themselves should be calculated in a way that ensures affordability. In our original Comments and Reply Comments, we proposed that the Commission establish a demand curve that would set the price at which 95%

of schools and libraries would find a particular service affordable. We have since refined that concept and developed a formula that we believe will achieve the same result with less complexity and using available data.

There are two factors that determine affordability: the price of the service, and ability to pay. By basing the discounts on a competitive market price, as discussed above, the Commission and the Joint Board would be going a long way towards ensuring affordability, but there must still be a mechanism for addressing a particular school or library district's ability to pay.

There are two types of geographic areas in which ability to pay is particularly important. First, schools and libraries in low-income areas need assistance because they generally face greater budget constraints than more affluent areas. Although they may have relatively large, dense populations, the individuals that make up those populations cannot afford the tax burden that may be required to meet the expense of providing telecommunications services. Second, rural areas need additional assistance not just because they tend to be high-cost areas, but because they are sparsely populated. Thus, even if the price of a service has been reduced to account for higher costs, there are fewer taxpayers to bear the burden of a particular expense. This means schools and libraries in such areas cannot afford many services without imposing disproportionately large tax burdens.

Therefore, we propose a discount formula to address both of these concerns. We would establish a minimum discount of 30% from the competitive

benchmark rate described above, and a maximum discount of 70%. Each school district in a state would be ranked based on a combination of factors, and receive a discount between 30% and 70%, depending on its rank within the state.

Districts would be ranked based on a combination of the lower of the median value of owner-occupied housing and median household income, and population density. Each district would be ranked in each of these categories, from highest to lowest in each state. Then a discount factor would be computed by adding the rank for the lower of the median value of owner-occupied housing and median household income to the rank for population density.[12] The districts would then be ranked again based on their total scores. Then each district would receive a discount percentage proportional to its final ranking, so that the district with the lowest overall score, generally representing the wealthiest district, would receive a discount of 30%, while the school at the bottom of the list would receive a discount of 70%. Schools in between would receive different, intermediate discounts, proportional to their discount factors.

The median value of owner-occupied housing was selected as a factor because it serves as the best indicator of district wealth in non-inner city areas. According to a 1995 study conducted by the National Center for Educational Statistics, it is also the best predictor of per pupil expenditures.

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[12] The formula is as follows:

Discount Score	=	Median Value of Owner-Occupied Housing	or	Median Household Income	+	Population Density

On the other hand, median household income is a better indicator of the relative ability to pay of an inner city area. Thus, choosing the lower of the two provides the best overall indicator of a district's ability to pay.

Finally, population density was selected as a factor because of the lower potential sparsely populated areas have for recovering costs by spreading them out over the population as a whole. We recognize, however, that the current density factor may require adjustment to account for extremely dense urban areas, which may have large proportions of low income populations. Thus, it may be advisable to add an additional factor to adjust for this factor, or to revise the current density factor by giving additional weight to extremely dense areas when establishing the final district rankings.

Applying the Discount Percentage

As proposed in our original Comments, eligible institutions would issue requests for bids describing the services or functionalities required, and service providers would submit bids showing how they would provide the requested service and at what price.

For those schools and libraries whose lowest competitive bid for a requested service falls above the national benchmark, the discount would be calculated by applying the discount percentage to the national benchmark.

If the lowest competitive bid for a requested service falls below the national benchmark, the discounted price would be calculated by applying the discount percentage to the bid price.

If there were only a single bidder, the discounted price would be calculated by applying the discount rate to the national benchmark price.

If there were no bidders at all, an institution would be eligible to request service from the carrier of last resort. The discounted price would be calculated in the same manner as if there were only one bidder.

Provider Reimbursement

If the bid price falls below the benchmark price, the provider would be reimbursed out of the universal service mechanism for the difference between the bid price and the discounted price. The customer, of course, would pay the amount of the discounted price.

If the bid price exceeded the benchmark, the provider would be reimbursed for the difference between the benchmark price and the discounted price. Service providers whose costs exceed the benchmark price would have the right to seek additional compensation from the appropriate state commission. To do so, however, a service provider would be required to justify its economic costs and the regulatory agency would have the authority to verify those costs. If a service provider preferred not to subject itself to the cost justification process, it

could do so by accepting the national benchmark as the maximum level for reimbursement.

The foregoing scheme would accomplish several goals. First, competition would be encouraged, because the lowest bidder for a service would receive the right to provide the service. Second, the right to receive cost reimbursement would encourage infrastructure development. Third, schools and libraries in high-cost areas would receive a larger total discount, because bids above the benchmark would be discounted from the benchmark rather than the higher bid price. Fourth, providers will have the right to have their costs reimbursed, but will also have an incentive to bring their costs down to the benchmark, to avoid having to justify their costs. Finally, providers that do not face competition would be discouraged from submitting artificially high bids, because any reimbursement above the benchmark would be subject to cost justification.

Discounts for Libraries and Private Schools

Discounts for libraries could be calculated in the same way, although they would have to be ranked separately from school districts, and there may be other discount mechanisms that more accurately meet the needs of libraries. In addition, for some schools (including schools under court-ordered desegregation plans, magnet schools, schools with large numbers of special needs children, and private schools) the factors on which the discount mechanism is based may not accurately reflect a school's ability to afford telecommunications services. In

such cases, when the cost of telecommunications services represents an unreasonable percentage of the operating budget, that school or library could qualify for additional assistance under the supplemental discount provision discussed in Question 19.

17. How should discounts be applied, if at all, for schools and libraries and rural health care providers that are currently receiving special rates?

Answer: As our original joint Comments say on page 19:

> The price of special services would follow this general rule: The price paid by a school or library should not exceed the least of (i) the carrier's present-day rate or current bid...[This] general rule ensures that service providers cannot use the benchmark rate as an excuse to raise rates if they are already offering or have negotiated lower rates. For example, many local governments have negotiated cable franchise agreements that require the cable operator to provide free broadband connections to schools, libraries, and government offices for telecommunications purposes. Schools and libraries that are already receiving the benefit of such facilities should not be forced to pay for the service simply because the Commission has established a rate mechanism for those communities that do not already have the capability.

To further expand on this topic, there have been many instances when a local telecommunications provider has agreed to provide a special rate to a school or library to demonstrate the usefulness of telecommunications capabilities for educational purposes or simply as a means of providing support back to the community. In these instances the provider, with the approval of the PUC, has entered into an agreement to provide services at a special rate. When these negotiated rates are already lower than the discounted rate under Section 254(h),

they should remain in effect. To void or overturn lower rates would be a great disservice to schools and libraries, and would be fundamentally unfair to the negotiation process they undertook.

18. What states have established discount programs for telecommunications services provided to schools, libraries, and health care providers? Describe the programs, including the measurable outcomes and the associated costs.

Answer: A number of PUCS, providers and educational agencies have developed specific rules and regulations and agreements concerning telecommunications services to schools. Some of these have been stimulated by state legislative actions and others negotiated with the educational agencies involved. The Florida Public Utilities Commission has analyzed the influence of these actions in the school technology plan, in a May 1996 analysis of the state commissions' actions with respect to education.[13] The Florida Report found that the state commissions are either authorizing:

- Funding to be committed to infrastructure investment on the Part of the LECS;
- Funding to be directed towards equipment purchases and training by educational entities; or

[13] Promoting Educational Infrastructure and the Role of the Florida Public Service Commission, Florida Public Service Commission (May 1996) (the "Florida Report").

- Discounted services for use by educational entities.

See Appendix B for tables selected from the Florida report showing current state discount programs.

The state commissions commonly fund infrastructure investment for education via dockets that involve LEC transitions to alternative regulation. The state commissions have also used LEC transitions to alternative regulation as a vehicle to require the provision of funding for equipment purchases by and training for educational entities.

Three examples illustrate some approaches towards defining the standard to be provided under the discounted rates. Maine has adopted voice grade frame relay service (at 56 kbps) as the "standard service" for all public schools and libraries. Michigan, on the other hand, has adopted a standard functionality, rather than a standard service: the ability to transfer data and to access the Internet. Finally, Texas defined the services that qualify for discounts as any telecommunications services used predominantly for distance learning.

Seventeen states now provide educational discounts for at least one of the following categories:

- POTS
- 56 kbps Frame Relay Service
- DS-1 (1.544 mbps)
- DS-3 (45 mbps)
- Digital Video Service 45 mbps
- 56 kbps Digital Data Service
- ISDN-BRI
- 1.544 mbps Frame Relay Service
- Digital Video Service 1.544 mbps
- Video Service

Many states discount more than one type of service:

- Alabama, Georgia, Minnesota, and South Carolina: only POTS
- Maine POTS, 56 kbps, and other regulates services, intra state toll usage
- Mississippi: POTS, 56 kbps Digital Data Service, and DS-1
- Tennessee: POTS and ISDN-BRI
- Arkansas: 56 kbps Digital Data Service, DS-1- 1.544 mbps and DS-3 45 mbps
- West Virginia: 56 kbps Frame Relay Service and 1.544 mbps Frame Relays
- Oklahoma: DS-1 1.544 mbps, DS-3 45 mbps, and other regulated services intraLATA long distance services
- Kansas: Digital Video Service 1.54 mbps and Video Service
- Missouri: Digital Video Service 1.544 mbps, Digital service 45 mbps and video service
- Illinois, Nebraska, and New Jersey: only Video Service
- Texas and Wisconsin: Other Regulated Services with Texas discounting any communications services used primarily for distance learning purposes and Wisconsin two-way interactive video, high speed data transfer, toll call access to the interet, and direct interet access.

The attached tables from the Florida report illustrate the range of actions that have been taken by the State PUCS. There is considerable activity in some states, but the fact that they range from simply POTS to video services indicates the need for consistent and comparable positions. EDLINC supports the adoption of a broad functionality, similar to the approach in Texas: Educational discounts should be available for all available commercial services, and educational functionality should determine the technologies used.

19. Should an additional discount be given to schools and libraries located in rural, insular, high- cost and economically disadvantaged areas? What percentage of telecommunications services (e.g., Internet services) used by schools and libraries in such areas are or require toll calls?

Answer: The discount method described in the answer to Question 16 would do much to address the problems of rural, insular, high cost and economically disadvantaged areas. Nevertheless, some districts may find that the formula we propose does not go far enough because of their particular circumstances. Therefore, we propose that each state PUC have the authority to order lower discounts if a district is able to demonstrate that the standard discount calculated under the above-described method does not yield an affordable price. If a school could demonstrate to the PUC that its total telecommunications expenditures exceed 1% of its total expenditures, the school would be entitled to a supplemental discount in addition to the discount computed according to the standard method. The amount of any supplemental discount would be determined by each state PUC.[14] The service provider would be reimbursed for any supplemental discount by both the state and federal universal service mechanisms. The federal universal service

[14] We set the threshold at 1% because the McKinsey Report estimates that schools spend an average of 1.3% of their budgets on all aspects of technology, including telecommunications. See Connecting K-12 Schools in the Information Superhighway, McKinsey & Company, at p. 33. Thus, a school that spends 1% of its budget on telecommunications alone can be presumed to face high telecommunications costs. Libraries spend different proportions of their budgets on telecommunications, so a different threshold may be required for them.

mechanism would contribute two-thirds of any supplemental discount, and the state mechanism would be responsible for the remaining one-third.

This supplemental discount could be particularly beneficial to private schools and schools in low income urban areas, which may have relatively low revenues and relatively high costs, making it difficult to find room in a tight budget for new telecommunications services.

20. Should the Commission use some existing model to determine the degree to which a school is disadvantaged (e.g., Title 1 or the national school lunch program)? Which one? What, if any, modifications should the Commission make to that model?

Answer: Our revised proposal, at Question 16, partially addresses the question of disadvantaged areas by incorporating median household income into the discount calculation. Our revised supplemental discount proposal, at Question 19, suggests that the percentage of revenue devoted to telecommunications should be the basis for any additional discounts. In computing the supplemental discount for districts that are able to demonstrate unusual need, no other existing model is required. Each state commission would establish its own criteria for determining the level of the supplemental discount, once a school or library had shown it met the percentage of revenue test discussed above in Question 19.

21. Should the Commission use a sliding scale approach (i.e., along a continuum of need) or a step approach (e.g., the Lifeline assistance program or the national school lunch program) to allocate any additional consideration given to schools and libraries located in rural, insular, high- cost, and economically disadvantaged areas?

Answer: Our revised proposal essentially adopts a sliding scale approach for discounts, since each district would receive a slightly different discount rate along the scale between 30% and 70%. This mechanism distinguishes among districts to account for their location in rural, high-cost and economically disadvantaged areas. Any additional discounts granted by state PUC's could take the form of graduated reductions, based on the amount by which telecommunications expenditures exceed the 1% threshold, or could take the form of a single sharp reduction to, for instance, a 90% discount for those districts that require it. This is a matter that should probably be left for each state to determine, however.

22. Should separate funding mechanisms be established for schools and libraries and for rural health care providers?

Answer: There is no need for any separate funding mechanism. It should not matter for what purpose contributions are being made towards universal service. The only thing that matters is that the amount contributed is large enough to meet the universal service obligations established by the 1996 Act. Any calculation to

determine the total amount required to meet all universal service obligations under the law is independent of exactly what mechanism is used to ensure those obligations are met. In addition, there is no necessary connection between the funding mechanism and expenditures. Section 254(d) states only that telecommunications carriers that provide interstate telecommunications services shall be required to contribute to universal service; nowhere does the statute require multiple mechanisms, or even imply that there should be more than one mechanism.

23. Are the cost estimates contained in the McKinsey Report and NII KickStart Initiative an accurate funding estimate for the discount provisions for schools and libraries, assuming that tariffed rates are used as the base prices?

Answer: We are in the process of examining this question and will provide further information when it is available.

24. Are there other cost estimates available that can serve as the basis for establishing a funding estimate for the discount provisions applicable to schools and libraries and to rural health care providers?

Answer: The McKinsey Report refers to those additional studies: Architecture and Costs of Connecting Schools to the NII (Lee McKnight and Russell Rothstein, MIT

Research Program on Communications Policy, 1995; updating and revising Rothstein, U.S. Department of Education White Paper, 1994); Schools in Cyberspace: The Cost of Providing Broadband Services to Public Schools (Telecommunications Industries Analysis Project (TIAP), July 1995); and Technology in America's Public Schools: Getting It In, Getting It Paid For and Getting It Used (Milken Institute for Job and Capital Formation, 1995). We are also attempting to gather information on this point and will provide it when it is available.

25. *Are there any specific cost estimates that address the discount funding estimates for eligible private schools?*

Answer: We are unaware of any such estimates for eligible private schools, but we are attempting to obtain such information and will provide it to the Joint Board when it is available.

Proxy Models

35. US West has stated that an industry task force "could develop a final model process utilizing consensus model assumptions and input data," US West comments at 10. Comment on USWest's statement, discussing potential legal issues and practical considerations in light of the requirement under the 1996 Act that the Commission take final action in this proceeding within six months of the Joint's Board's recommended decision.

Answer: We question the accuracy of US West's statement. First, we are concerned with any proposal that offers the possibility of any delay in the regulatory process. As the question notes, the Commission and the Joint Board are on a tight time schedule, imposed by law. We believe that the industry has an incentive to delay the process, both to reduce any perceived long-term harm to the industry arising out of the new universal service requirements, and to give it time to develop a regulatory structure that favors the industry's interests.

Second, we question whether any industry task force would address all of the relevant issues. Given that the purpose of the 1996 Act is to promote the growth of a variety of different types of services and service providers, and to advance the interests of schools and libraries, the concerns of all interested parties must be addressed by the Joint Board and the Commission. That is the purpose of the present rulemaking proceeding. If a separate task force were to be